



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

M/051/001

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March 1, 2002

Mr. Lon Thomas  
Star Stone Quarries, Inc.  
4040 South 300 West  
Salt Lake City, UT 84107

Re: Replacement Bonds for Star Stone Quarries Large Mine Permits, Rosebud Quarry (M/003/026), Cotton Thomas Quarry (M/003/024), and Heber Quarry (M/051/001), Box Elder and Wasatch Counties, Utah

Dear Mr. Thomas:

On January 14, 2002, we received a letter from you outlining your concerns with the Division's new bonding provisions. You suggested that Star Stone Quarries existing bonds should be "grand-fathered", even though the current bonding company does not meet the rating requirements of our new rules. Shortly after we received this letter, we received a call from your bonding agent informing us that he was working to replace the sureties on all three mining projects.

He asked whether all of the sureties had to be replaced immediately, or if the Division could wait until the annual premiums were due for the existing sureties. We informed him that it would be acceptable to wait until the premiums were due on the existing sureties. We were left with the impression that the Rosebud surety would be replaced right away, and that the Heber and Cotton Thomas sureties would be replaced within the next few months. We assumed that your bonding agent had discussed the results of that telephone conversation with you.

We passed on this understanding during a February 26, 2002, telephone conversation with Beverly Thomas. She called our office inquiring about the status of our response to your January letter. After receiving the telephone call from your bonding agent, we had assumed that the bond replacement question was no longer an issue.

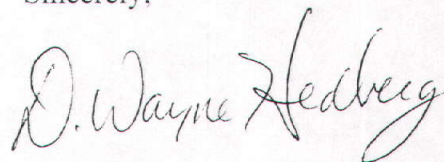
Please accept our apology for this delayed response. We look forward to receiving the replacement sureties for the Cotton Thomas and the Heber quarries within the next few months. If you will not be proceeding in this fashion, please notify us of your intentions. **As you are**

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**aware, the surety for the Rosebud quarry needs to be submitted before the scheduled cancellation date of March 18, 2002.**

Please don't hesitate to call if you need further information.

Sincerely,

A handwritten signature in cursive script that reads "D. Wayne Hedberg". The signature is written in dark ink and is positioned above the printed name and title.

D. Wayne Hedberg  
Permit Supervisor  
Minerals Regulatory Program

jb  
cc: Mary Ann Wright, DOGM  
Lynn Kunzler, DOGM  
Star stone bonds.doc